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Collective Bargaining Agreements “101”



An overview of Collective Bargaining Agreements and The Service Contract Act

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Overview



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- What is a Collective Bargaining Agreement - CBA?
- How does it interact with the Service Contract Act and my contract?



This is by no means a comprehensive presentation!

Contact your labor advisor with questions

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What is a CBA?



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- A collective bargaining agreement (CBA) is a written agreement between labor and management. Labor is typically represented by a union or employee's association.
- Right to bargain collectively is recognized by the National Labor Relations Act (NLRA), as amended
→ Enforced by National Labor Relations Board (NLRB)
- The CBA governs and defines conditions of employment, wages, benefits, work rules and conditions, disputes and grievances, seniority, etc.

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What is a CBA?



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- Will contain an effective date of the agreement
 - Beginning and end
- Also may specify effective dates of raises, benefit increases, etc
 - Effective dates of raises or increases may not coincide with effective date of agreement
- CBA becomes an important contract document- be sure to read and understand it!
 - Will affect contract costs if incorporated as a CBA-based wage determination
 - Will affect negotiation of other CBA's in local area (like housing comparatives—can set precedence - get it right!

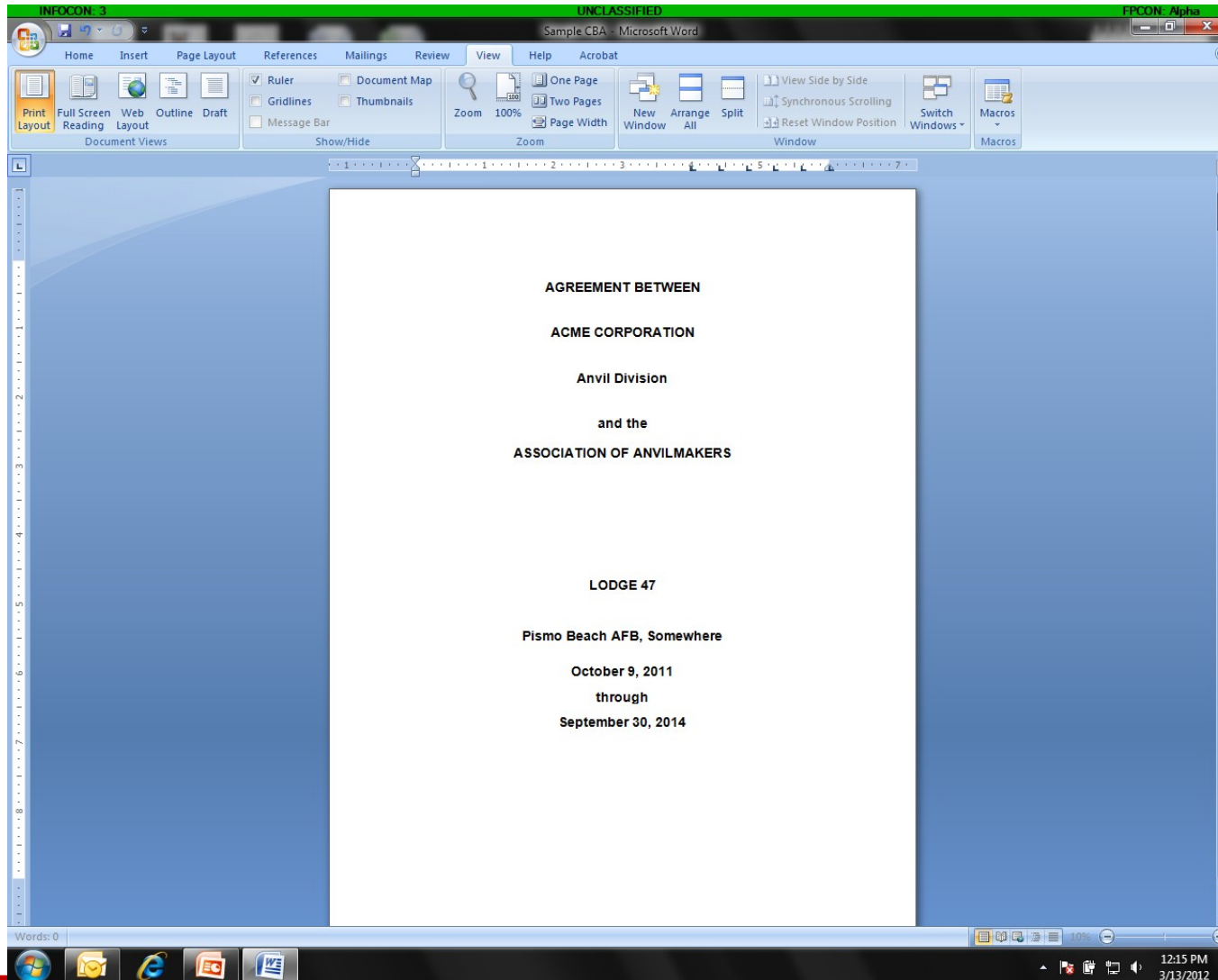
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Example



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What does this mean?



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- CBAs impact service contracts in several ways
 - CBA-based WDs (typically higher wages, more fringe benefits-health care, vacation, sick leave, pension contributions, paid time off, and periodic re-negotiation(every 2-3years - can be amended by agreement of both parties)
 - FAR 22.1010 notice to parties to CBA(Union and Contractor)
 - Resultant price adjustments(same as inclusion of updated AWD)
 - Successorship
 - Strike possibility

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- **Def 20 CFR 4.53, 4.163, FAR 22.1002-2 on time on**
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How to create CBA-based WDs



- Can use WDOL.gov
 - Follow the menu for selecting SCA WDs
 - When asked “are any employees performing work subject to a CBA?” select yes
 - ***Follow instructions***
 - Ensure all fill-ins completed appropriately (ref illustration)
- Can use e98
 - Follow instructions/process
- Must be revisited periodically, same as standard WDs
 - Ref FAR 22.1007, 29 CFR 4.4

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www.WDOL.gov



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Wage Determinations OnLine.gov

Providing public access to federal wage determinations and related information.

WDOL.gov is part of the Integrated Acquisition Environment, one of the E-Government initiatives in the President's Management Agenda. It is a collaborative effort of the Office of Management and Budget, Department of Labor, Department of Defense, General Services Administration, Department of Energy, and Department of Commerce.

[HOME](#)

[USER GUIDE](#) | [HELP](#)

Service Contract Act

- [Selecting SCA WDs](#)
- [e98](#)
- [Archived WDs](#)

Davis-Bacon Act

- [Selecting DBA WDs](#)
- [Archived WDs](#)

Related Information

- [Agency Labor Advisors](#)
- [Library](#)
- [DOL Wage and Hour Website](#)

1st preference

Welcome to the Wage Determinations OnLine Program!

This website provides a single location for federal contracting officers to use in obtaining appropriate Service Contract Act (SCA) and Davis-Bacon Act (DBA) wage determinations (WDs) for each official contract action. The website is available to the public as well. Guidance in selecting WDs from this website is provided in the WDOL.gov User's Guide.

The WDOL.gov Program also provides contracting officers direct access to the Department of Labor's (DOL's) e98 website to submit a request for SCA WDs for use on official contract actions. In some instances, the WDOL.gov website will not contain the appropriate SCA WD, and contracting officers will be directed to use DOL's e98 website in order to obtain the required SCA WD. DOL will provide the contracting officer with an SCA WD through the e98 system.

Questions pertaining to the application of contract labor standards or the selection of appropriate WDs for specific contract actions should be referred to the contracting officer or to the designated agency labor advisors. Questions pertaining to this website may be referred to the WDOL.gov Webmaster.

The WDOL.gov Program and the User's Guide does not relieve the contracting officer or other program user of the

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SAF/AQC



CBA-Based WDs



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The Agency Contracting Officer should complete the following form in order to obtain a CBA WD for an SCA-applicable collective bargaining agreement. The Contracting Officer must prepare a separate CBA WD for each covered CBA applicable to a contract action (including separate CBA WDs for prime and subcontractors)

[WDOL User's Guide Sec. B.5.b.\(2\)](#)

* Indicates a required field.

Wage Determination Number: The system will generate the appropriate SCA WD number

Revision Number: 0

* Contract Services:

* Contracting Activity:

* State

* County:

* Prime or Subcontractor
Name:

* Prime or Subcontractor

Note, a separate WD must be created for each CBA of the prime and any subcontractors. This may result in multiple CBA-based WDs for the

contract.

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Example of a CBA-based WD



CBA WD

REGISTER OF WAGE DETERMINATION UNDER | U.S. DEPARTMENT OF LABOR
THE SERVICE CONTRACT ACT | EMPLOYMENT STANDARDS
ADMINISTRATION

By direction of the Secretary | WAGE AND HOUR DIVISION
of Labor | WASHINGTON D.C.
20210

Wage Determination No.:

CBA-2008-2032
Johnny Appleseed | Revision No.: 0
Director | Date Of Last Revision:
4/16/2011
Division of
Wage Determinations

State: Alabama

Area: Autauga

Employed on Pismo Beach AFB contract for slingshot testing services.

Collective Bargaining Agreement between contractor: ACME Corporation Anvil
Division and union: Association of Anvilmakers Lodge 47, effective
~~12/23/2010 through 12/21/2011.~~

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FAR 22.1010



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- Requires notice to be sent to union and contractor
→ “Starts clock” on timeliness deadlines set forth in FAR 22.1012-2
- 30 days before earliest procurement date
- Give applicable dates
- Example: “this notifies you that the AF intends to exercise the option on X contract on **15 Sep 2012**, performance to begin **1 Oct 2012**.”
- Keep a copy of the notice and get proof of delivery; retain in contract file

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Price Adjustments



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- FAR 52.222-43 price adjustments typically more complex when using CBA vs “standard” WD
 - Possibility of additional fringe benefits
 - May include Shift/lead differentials
- Principles remain the same
 - Adjustment limited to actual increase delta between:
 - What the contractor actually paid in previous period compared to new minimum rates(validate-have contractor provide payrolls or any other data to support their request for increase)-FAR 52.222-43(f)

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Successorship



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SCA Section 4(c):

- Collectively bargained (CBA) wages and benefits are the applicable wage determination rates for the succeeding contract period, even if the contract changes hands.
- Conditions:
 - Must be same work, same location
 - The CBA must become effective timely during the previous contract period(predecessor/successor relationship)
 - The CBA must be negotiated “at arms-length” between parties at interest (no “contingency” language-ex: “...provided the government agrees to/ reimburses costs...”)
 - Contractor is required to provide a copy of CBA and “full information” [52.222-41(m)] to CO
 - Successor contractor bound to pay wages and fringe benefits



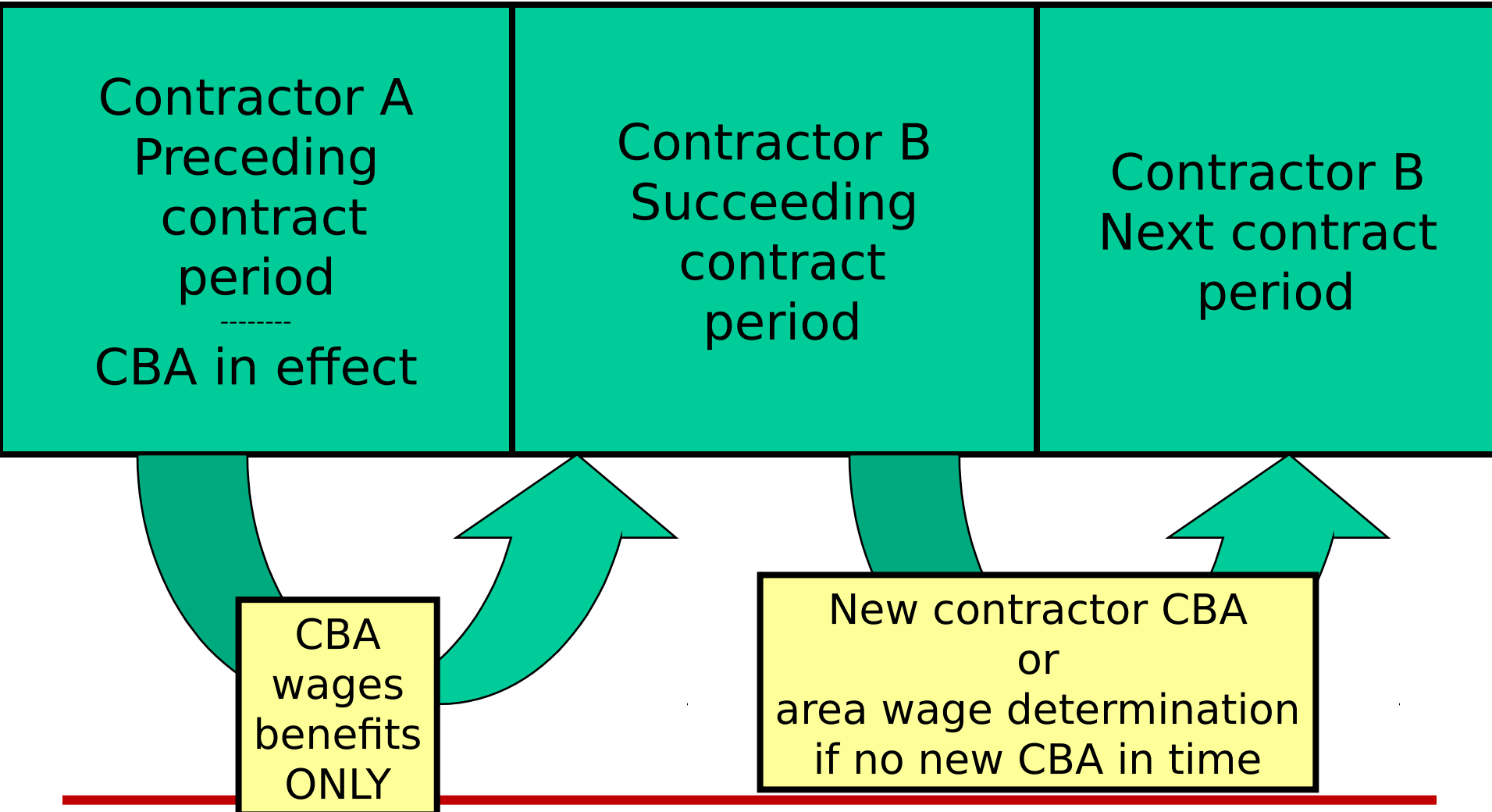
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Successorship Illustrated



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Strikes



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- Right to strike found in NLRA
- CBA Expiration - No protection under “No Strike” Clause
- Consider
 - How critical is service?
 - Address risks at Acquisition Strategy and include in Acquisition
 - Are installation, functional and contractor strike plans needed?
 - Should contractor’s strike plan be evaluated with proposals?
 - Government and contractor bear cost and performance risk- consider this carefully during risk analysis phase
 - Be prepared! Know your installation labor coordinator and your regional labor adviser, keep them informed

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References



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- FAR 22
 - Especially 22.1010!
 - FAR Clause 52.222-41
- 29 CFR Part 4(4.1b)
- Contents of the particular CBA - Read and understand prior to incorporation as wage determination
 - Look at increases in wages(At Variance?)
 - Look at what is contained in fringe /benefits
 - Review for “At Variance” and “Arms Length”(FAR 22.1002-3 (1) and AAM 159)
 - If questions contact Agency Labor Advisor

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